GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1031
ANSWERED ON:22.07.2016
Krishi Kalyan Cess
Gandhi Dr. Dharam Vira

Will the Minister of FINANCE be pleased to state:

(a) whether any Krishi Kalyan Cess has been imposed by the Government, if so, the details thereof;

(b) the total collection and utilisation of funds since its inception;

(c) the details of the initiative which is funded/likely to be funded by the revenue generated through the cess;

(d) whether any leakages have been noticed by the Government in collecting and utilisation of the cess, if so, the details thereof; and

(e) the measures in place to ensure against these leakages?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): Yes, Sir. Krishi Kalyan Cess has been imposed on provision of all taxable services at the rate of 0.5% on value of taxable services w.e.f 1st June, 2016.

(b) & (c): The total amount of Krishi Kalyan Cess collected for the month of June is Rs. 759 crore (provisional). The cess is for the purpose of financing and promoting initiatives to impove agriculture and for any other purpose relating thereto. The Department of Agriculture, Cooperation and Farmers Welfare is in process of examining and finalizing the accounting and procedural modalities of operationalising the Krishi Kalyan Cess.

(d) & (e): No, Sir. Krishi Kalyan Cess is levied and collected as service tax and the provisions relating to service tax for preventing leakage of revenue are also applicable to Krishi Kalyan Cess.
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